

AL-QADIR TEXTILE MILLS Ltd.

**HALF YEARLY ACCOUNTS
FOR THE PERIOD ENDED
DECEMBER 31, 2010
(Un-Audited)**



AL-QADIR

TEXTILE

MILLS

LIMITED

CONTENTS

Company Information	2
Director's Report	3
Auditors Review Report	4
Balance Sheet	5
Profit & Loss Account	7
Statement of Comprehensive Income	8
Cash Flow Statement	9
Statement of Changes in Equity	10
Notes to the Accounts	11

AL-QADIR TEXTILE MILLS Ltd.

COMPANY INFORMATION

BOARD OF DIRECTORS

CHAIRMAN AND CHIEF EXECUTIVE

MR. GHULAM ALI RAJA

DIRECTORS

MR. MUHAMMAD BASHIR RAJA

MR. ASIF ALI RAJA

MR. ADIL BASHIR RAJA

MST. TASNEEM AKHTER

MST. YASMEEN BEGUM

MST. ASBAH RUBINA

CHIEF FINANCIAL OFFICER & COMPANY SECRETARY

MR. ZAHEER AHMED AKMAL

AUDITORS

NASIR JAVAID MAQSOOD IMRAN
CHARTERED ACCOUNTANTS
ISLAMABAD

BANKERS

BANK AL-FALAH LIMITED

REGISTERED OFFICE

RAJA HOUSE, NEAR MAKKI MASJID,
CHAKWAL- PAKISTAN

HEAD OFFICE AND MILLS

6-K.M JEHLUM ROAD CHAKWAL.

SHARE REGISTRARS

M/S YOUR SECRETARY
1020, 10TH FLOOR, UNI PLAZA,
I.I. CHUNDRIGAR ROAD
KARACHI.

AL-QADIR TEXTILE MILLS Ltd.

DIRECTOR'S REPORT TO THE MEMBER

In the Name of Allah, Most Gracious, Most Merciful

Dear Shareholders,

The directors of your company are pleased to present their report together with the independent auditors review report and audited financial statements of the company for the half year ended December 31, 2010.

During the period under review the yarn prices were all time high due to increased raw material prices. Prices of cotton lint touched 12000/mund and polyester staple fibers prices were also instable due to crude oil fluctuations and monetary exchange rates. Management has successfully utilized the available stocks and resources despite numerous problems.

Due to extra ordinary rise in raw material prices and other production cost i.e. electricity, labor, Currency exchange rates and shortage of power supply the company has earned a gross profit of rupees 23.817 million as compared to gross profit of rupees 8.116 million in the corresponding period of last year. The management of your company is still making its best to improve as appears in the financial results.

I would like to thank the valued foreign buyers local customers for their trust in our company. In the end, the Board would like to record its appreciation of on going support and confidence of Bank Al-Falah Limited and for technical assistance and hard work of the advisors and employees of Company.

CHIEF EXECUTIVE
On behalf of Board

February 26, 2011
Chakwal

GHULAM ALI RAJA
CHIEF EXECUTIVE

AL-QADIR TEXTILE MILLS Ltd.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS ON REVIEW OF CONDENSED INTERIM FINANCIAL INFORMATION

Introduction

We have reviewed the accompanying condensed interim balance sheet of **Al-Qadir Textile Mills Limited** ("the Company") as at 31 December 2010 and the related condensed interim profit and loss account, condensed interim statement of comprehensive income, condensed interim cash flow statement and condensed interim statement of changes in equity together with the notes forming part thereof (herein after referred to as "condensed interim financial information"), for the half year then ended. Management is responsible for the preparation and presentation of this condensed interim financial information in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this condensed interim financial information based on our review. The figures of the condensed interim profit and loss account and condensed interim statement of comprehensive income for the quarters ended 31 December 2010 and 31 December 2009 have not been reviewed and we do not express a conclusion on them as we are required to review only the cumulative figures for the half year ended 31 December 2010.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of condensed interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed financial information is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting

Date: February 25, 2011
Place: **Islamabad**

Nasir Javaid Maqsood Imran
Chartered Accountants

IMRAN UL HAQ, FCA

AL-QADIR TEXTILE MILLS Ltd.

AL-QADIR TEXTILE CONDENSED INTERIM AS AT DECEMBER

Notes	Un-audited	Audited
	Dec 31, 2010	Jun 30, 2010
	Rupees	
EQUITY AND LIABILITIES		
SHARE CAPITAL AND RESERVES		
Authorized share capital		
15,000,000 Ordinary shares of rupees 10 each	150,000,000	150,000,000
Issued, subscribed and paid up share capital	75,600,000	75,600,000
Deposits for Shares	15,922,750	15,922,750
Accumulated Profit	155,841,101	156,593,305
	247,363,851	248,116,055
Surplus on revaluation of fixed assets	195,619,680	188,087,357
NON-CURRENT LIABILITIES		
Employee benefits	6,654,514	5,141,014
Deferred tax liability	89,839,708	108,900,024
	96,494,222	114,041,038
CURRENT LIABILITIES		
Trade and other payables	65,825,190	65,233,606
Accrued markup on short term borrowings	6,349,919	2,797,673
Short Term Borrowings	303,783,637	421,781
Provision for taxation	11,586,272	24,562,268
	387,545,019	93,015,328
CONTINGENCIES AND COMMITMENTS	5	-
	927,022,772	643,259,778

The annexed notes form an integral part of these condensed interim financial statements.

GHULAM ALI RAJA
CHIEF EXECUTIVE

MOHAMMAD BASHIR RAJA
DIRECTOR

AL-QADIR TEXTILE MILLS Ltd.

MILLS LIMITED BALANCE SHEET 31, 2010

	Notes	Un-audited Dec 31, 2010	Audited Jun 30, 2010
Rupees			
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	6	488,129,821	497,172,709
Long term deposits		444,599	444,599
		488,574,420	497,617,308
CURRENT ASSETS			
Stores and Spares		4,423,311	6,958,490
Stock in Trade		377,959,226	44,284,199
Trade Debts		21,981,596	26,551,523
Advances		940,833	6,198,352
Security deposits and short term prepayments		503,007	447,623
Taxation recoverable		4,855,785	2,110,460
Other receivables		8,334,265	7,373,432
Cash and bank balances		19,450,330	51,718,390
		438,448,352	145,642,470
		<u>927,022,772</u>	<u>643,259,778</u>

GHULAM ALI RAJA
CHIEF EXECUTIVE

MOHAMMAD BASHIR RAJA
DIRECTOR

AL-QADIR TEXTILE MILLS Ltd.

CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2010

	Half year ended		Quarter ended		
	Dec 31, 2010	Dec 31, 2009	Dec 31, 2010	Dec 31, 2009	
Note	Rupees				
SALES	746,867,092	477,946,102	510,827,982	258,008,766	
COST OF SALES	722,949,834	469,829,672	489,704,644	262,005,186	
GROSS PROFIT	23,917,258	8,116,430	21,123,338	(3,996,420)	
SELLING AND DISTRIBUTION EXPENSES	13,878,965	2,392,794	12,920,253	2,352,319	
ADMINISTRATIVE EXPENSES	5,618,385	4,804,281	3,443,009	2,329,896	
OTHER OPERATING EXPENSES	255,878	-	255,878	-	
	19,753,228	7,197,076	16,619,140	4,682,215	
PROFIT FROM OPERATIONS	4,164,030	919,354	4,504,198	(8,678,636)	
OTHER OPERATING INCOME	-	60,784	-	42,243	
	4,164,030	980,138	4,504,198	(8,636,393)	
FINANCIAL CHARGES	(10,359,506)	(10,310,156)	(8,993,815)	(6,482,406)	
LOSS BEFORE TAXATION	(6,195,476)	(9,330,018)	(4,489,617)	(15,118,799)	
PROVISION FOR TAXATION	(307,170)	(15,440,372)	873,026	-	
UN-APPROPRIATED (LOSS)/PROFIT CARRIED FORWARD	(6,502,646)	(24,770,390)	(3,616,591)	(15,118,799)	
EARNINGS PER SHARE (RUPEES)	7	(0.86)	(3.28)	(0.48)	(2.00)

GHULAM ALI RAJA
CHIEF EXECUTIVE

MOHAMMAD BASHIR RAJA
DIRECTOR

AL-QADIR TEXTILE MILLS Ltd.

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2010

	Half year ended		Quarter ended	
	Dec 31, 2010	Dec 31, 2009	Dec 31, 2010	Dec 31, 2009
	<u>Rupees</u>			
Loss after tax	(6,502,646)	(24,770,390)	(3,616,591)	(15,118,799)
Other comprehensive income	-	-	-	-
Total comprehensive loss for the period	(6,502,646)	(24,770,390)	(3,616,591)	(15,118,799)

The annexed notes form an integral part of these condensed interim financial statements.

GHULAM ALI RAJA
CHIEF EXECUTIVE

MOHAMMAD BASHIR RAJA
DIRECTOR

AL-QADIR TEXTILE MILLS Ltd.

CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2010

	December 31, 2010 Rupees	December 31, 2009 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit/ (Loss) before taxation	(6,195,476)	(9,330,018)
Adjustment for		
Depreciation	17,071,087	12,783,919
Provision for Gratuity	1,942,400	405,100
Financial Expenses	10,359,506	10,310,156
Cash Flows from Operating Activities before Working Capital Changes	<u>23,177,517</u>	<u>14,169,157</u>
(Increase)/Decrease in Current Assets		
Stores & Spares	2,535,179	(341,167)
Stock in Trade	(333,675,027)	(152,361,685)
Trade Debts	4,569,928	(13,962,818)
Advances	5,257,519	(3,009,732)
Deposits, prepayments and others	(1,016,217)	(313,274)
Increase/(Decrease) in Current Liabilities		
Trade and other payables	591,584	23,927,594
	<u>(321,737,034)</u>	<u>(146,061,082)</u>
CASH FLOWS FROM OPERATING ACTIVITIES	<u>(298,559,517)</u>	<u>(131,891,925)</u>
Financial Charges	(6,807,260)	(11,521,359)
Income Tax Paid	(21,806,040)	(1,777,595)
Gratuity Paid	(428,900)	(715,800)
Net cash generated used in operating activities	<u>(327,601,717)</u>	<u>(145,906,679)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Fixed Capital Expenditure	(8,028,200)	-
Net cash from investing activities	<u>(8,028,200)</u>	<u>-</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Short term borrowings-net	303,361,856	148,528,219
Net cash from financing activities	<u>303,361,856</u>	<u>148,528,219</u>
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	<u>(32,268,060)</u>	<u>2,621,540</u>
CASH & CASH EQUIVALENTS AT THE BEGINNING OF PERIOD	<u>51,718,390</u>	<u>7,250,164</u>
CASH & CASH EQUIVALENTS AT THE END OF PERIOD	<u>19,450,330</u>	<u>9,871,704</u>

The annexed notes form an integral part of this unconsolidated condensed interim financial information.

AL-QADIR TEXTILE MILLS Ltd.

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY FOR THE HALF YEAR ENDED DECEMBER 31, 2010

	Share Capital	Deposit for Shares	Accumulated Profit / (Loss)	Total Equity
Rupees.....			
Balance as at 30 June 2009 - (Audited)	75,600,000	15,922,750	122,787,292	214,310,042
Net loss for the half year ended 31 December 2009	-	-	(24,770,389)	(24,770,389)
Surplus realized on incremental depreciation-net of deferred tax	-	-	3,159,735	3,159,735
Balance as at 31 December 2009 - (Un-Audited)	<u>75,600,000</u>	<u>15,922,750</u>	<u>101,176,638</u>	<u>192,699,388</u>
Balance as at 30 June 2010 - (Audited)	75,600,000	15,922,750	156,593,305	248,116,055
Net loss for the half year ended 31 December 2010	-	-	(6,502,646)	(6,502,646)
Surplus realized on incremental depreciation-net of deferred tax	-	-	5,750,442	5,750,442
Balance as at 31 December 2010 - (Un-Audited)	<u>75,600,000</u>	<u>15,922,750</u>	<u>155,841,101</u>	<u>247,363,851</u>

The annexed notes form an integral part of this unconsolidated condensed interim financial information.

CHIEF EXECUTIVE

DIRECTOR

AL-QADIR TEXTILE MILLS Ltd.

6.1 Details of additions/ deletions

	Un-audited		Audited	
	December 31, 2010		June 30, 2010	
	Additions	Deletions	Additions	Deletions
	Rupees			
Freehold land	—	—	—	—
Building on freehold land	—	—	—	—
Plant and machinery	—	—	876,750	—
Office equipment	—	—	100,920	—
Furniture and fixture	28,200	—	—	—
Telephone installations	—	—	—	—
Vehicles	8,000,000	—	1,839,000	(929,000)
	8,028,200	—	2,816,670	(929,000)

7.0 EARNINGS PER SHARE - BASIC AND DILUTED

There is no dilutive effect on the basic earning per share.

8.0 REMUNERATION OF CHIEF EXECUTIVE AND DIRECTORS

	Un-audited		Audited	
	DECEMBER 31, 2010		JUNE 30, 2010	
	Chief Executive	Director	Chief Executive	Director
Rupees.....			
Remuneration	-	731,800	-	1,527,382
Utilities and other benefits	-	232,234	-	312,246
	-	964,124	-	1,839,628
Number	1	2	1	2

9.0 FINANCIAL RISK MANAGEMENT

The companies financial risk management objectives and policies are consistent with that disclosed in the financial statements as at and for the year ended June 30, 2010.

10.0 AUTHORIZATION

These condensed interim financial statements has been authorized for issue by the Board of Directors of the company on

11.0 GENERAL

No significant reclassification or rearrangements of corresponding figures have been made.

GHULAM ALI RAJA
CHIEF EXECUTIVE

MOHAMMAD BASHIR RAJA
DIRECTOR

AL-QADIR TEXTILE MILLS Ltd.

6.0 CONTINGENCIES AND COMMITMENTS

There is no contingency and commitment as on 31 December 2009 (30 June 2009: 18.98 million rupees)

	Un-audited Dec 31, 2009	Audited Jun 30, 2009
	Rupees	
7.0 PROPERTY, PLANT AND EQUIPMENT		
WDV at the start of the period/ year	380,296,757	396,899,565
Add: Addition during the year	-	12,602,235
Less: Disposed off during the period/ year	-	(4,510,000)
Less: Depreciation for the period/ year	(12,783,919)	(24,695,043)
WDV at the end of the period/ year	<u>367,512,838</u>	<u>380,296,757</u>

7.1 Details of additions/ deletions

	Un-audited December 31, 2009		Audited June 30, 2009	
	Additions	Deletions	Additions	Deletions
	Rupees			
Building on freehold land	-	-	2,055,673	-
Plant and machinery	-	-	10,536,562	4,000,000
Office equipment	-	-	10,000	-
Vehicles	-	-	-	510,000
	-	-	12,602,235	4,510,000

8.0 REMUNERATION OF CHIEF EXECUTIVE AND DIRECTORS

	Un-audited DECEMBER 31, 2009		Audited JUNE 30, 2009	
	Chief Executive	Director	Chief Executive	Director
	Rupees.....			
Remuneration	-	721,800	-	1,175,500
Utilities and other benefits	-	197,225	-	302,506
	-	919,025	-	1,478,006
Number	1	2	1	2

9.0 FINANCIAL RISK MANAGEMENT

The companies financial risk management objectives and policies are consistent with that disclosed in the financial statements as at and for the year ended June 30, 2009.

10.0 AUTHORIZATION

These condensed interim financial statements has been authorized for issue by the Board of Directors of the company on February 26, 2010.

11.0 GENERAL

No significant reclassification or rearrangements of corresponding figures have been made.

Figures have been rounded off to the nearest rupee unless stated otherwise.

GHULAM ALI RAJA
CHIEF EXECUTIVE

MOHAMMAD BASHIR RAJA
DIRECTOR

AL-QADIR TEXTILE MILLS Ltd.

Book Post

If undelivered please return to:

**AL-QADIR TEXTILE MILLS LIMITED
CHAKWAL**

Registrars: YOUR SECRETARY

M/S. YOUR SECRETARY

**1020, Uni Plaza, 1.1 Chundrigar Roal
Karachi.**

Tel: 2428842